Galapagos business update

Mechelen, Belgium; 14 May 2010 – Galapagos NV (Euronext: GLPG) announces today that the operational and financial results achieved thus far in 2010 encourage the Company to retain full year 2010 financial guidance given earlier this year: group revenues of over €135 million, with positive operational income and cash flow, and a positive net result in 2010.

In January 2010, Galapagos and Roche announced a new strategic alliance in small molecule and antibody therapies based on novel targets in COPD (chronic obstructive pulmonary disease), with potential milestones exceeding €400 million, plus up to double-digit royalties. This week Galapagos announced that this alliance has been expanded - thereby increasing number of antibody targets and widening the scope of molecules in this alliance to potentially include peptide and nucleic acids products. This expansion adds €150 million to the total value of potential milestone payments that Galapagos may receive under the alliance. In the first quarter of 2010, Galapagos also announced milestones in its metabolic and inflammatory disease alliances with Merck and delivery of a third pre-clinical candidate in its arthritis alliance with GlaxoSmithKline.

During its R&D Update on 19 March 2010, Galapagos gave an overview of progress made in its R&D portfolio and announced its plans to pursue cystic fibrosis in its new strategy to deliver breakthrough medicines to patients with orphan diseases. In the first quarter of 2010, Galapagos completed first-in-human studies for candidate metastasis drug GLPG0187, which showed good safety and biomarker response in healthy volunteers. Galapagos also successfully completed Phase I studies for its lead rheumatoid arthritis candidate drug GLPG0259, which showed good safety and pharmacokinetic profile in healthy volunteers. Galapagos is on track to initiate future clinical trials, with plans to start first-in-human trials shortly for its cachexia candidate drug, GLPG0492, as well as the second drug candidate in its arthritis alliance with GSK, GLPG0634. Galapagos also intends to commence patient trials for GLPG0259 and GLPG0187 in the third quarter of 2010. Phase II studies for Nanocort for the treatment of multiple sclerosis flares are ongoing, with interim results expected by the end of 2010.

Galapagos expanded its service division through the acquisition of Argenta’s service operations in February 2010. Together, Argenta and BioFocus form one of the world’s largest drug discovery service operations, with 350 employees, an estimated €70 million in annual turnover and significant profitability. The integration of Argenta within the Galapagos group has gone smoothly and Argenta launched its new website (www.argentadiscovery.com) as a Galapagos company in April. In the first quarter of 2010, BioFocus announced a new compound management contract with the TB Alliance and achievement of target acceptance payments in the collaboration with Ortho Biotech Oncology Research and Development. In April, BioFocus announced its largest external collaboration to date: a five-year collaboration with CHDI focused on discovering novel drugs for Huntington’s disease. BioFocus is eligible to receive €31 million in research fees during the five-year collaboration.

On the corporate level, Galapagos’ annual general shareholders meeting held 27 April 2010 appointed Dr. Ronald Brus, CEO of Crucell, to Galapagos’ Board of Directors, succeeding Dr. Rudi Pauwels. Furthermore, Galapagos raised €2.1 million in capital through employee warrant exercises in March 2010.
About Galapagos

Galapagos (Euronext: GLPG; OTC: GLPYY) is a mid-size biotechnology company specialized in the discovery and development of small molecule and antibody therapies with novel modes-of-action. The Company is progressing one of the largest pipelines in biotech, with four clinical and over 50 small molecule discovery/pre-clinical programs. Through risk/reward-sharing alliances with GlaxoSmithKline, Lilly, Janssen Pharmaceutica, Merck & Co. and Roche, Galapagos is eligible to receive up to €3 billion in downstream milestones, plus royalties. Together with its BioFocus and Argenta service operations, Galapagos has over 670 employees and operates facilities in six countries, with global headquarters in Mechelen, Belgium. More info at: www.glpg.com.

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